

**TENNESSEE MOTOR VEHICLE COMMISSION
BOARD MEETING
April 14, 2008 10:30 A.M.
CONFERENCE ROOM 160
DAVY CROCKETT TOWER, 500 JAMES ROBERTSON PKWY.
NASHVILLE, TENNESSEE 37243**

ROLL CALL:

	<u>PRESENT</u>	<u>ABSENT</u>
BRENT SMITH		X
EDDIE ROBERTS	X	
JOHN BARKER	X	
GEORGE BASS	X	
KENT BEWLEY		X
MELISSA BLANKENSHIP	X	
KEVIN CULLUM	X	
DONNIE HATCHER	X	
NATE JACKSON	X	
CHAD JONES	X	
ALLEN LEWIS		X
LARRY LEWIS	X	
TRAVIS MCDONOUGH	X	
STAN MCNABB	X	
JOE PREBUL		X

The Tennessee Motor Vehicle Commission Meeting was called to order by Vice Chairman Eddie Roberts on April 14, 2008. Roll Call was taken with a total of (11) member's present.

A Motion was made by Commissioner Larry Lewis, and seconded by Commissioner John Barker, to approve the minutes from the January meeting.

MOTION PASSED UNANIMOUSLY

REVIEW COMMITTEE

The Review Committee advised the Commission that the Committee had discussed the attached legal report with counsel and moved that the Commission adopt the attorney's recommendations with the following exceptions.

Complaint 2008004841- Dealer is contesting \$500 citation for possession of an open title. Dealer states he was not in violation of the statute even though he had an open title and states he has questions he would like answered before paying. Legal has spoken with dealer and requested documents but has not received them.

Recommendation: Authorization for \$500 civil penalty or Formal Hearing.

Review Committee Recommendation: Increase the civil penalty to \$1,000 or a Formal Hearing.

Complaint 2007082021- Dealer has not paid \$500 citation for advertising violations (i.e., stock number; tax, title and license).

Recommendation: Authorization for \$500 civil penalty or a Formal Hearing.

Review Committee Recommendation: Authorization to increase the civil penalty to \$1,000 or a Formal Hearing.

Complaint 2007087831- Respondent's salesperson placed an advertisement in newspaper for 1992 Lexus offered for sale by Respondent but which was located at salesperson's residence. Complainant traveled to the salesperson's residence and purchased the vehicle. The salesperson gave Complainant a handwritten bill of sale designating Respondent dealership as seller; however, Complainant had to travel to Respondent dealership to formally complete the deal.

Recommendation: Authorization for \$2,000 civil penalty to each Respondent and to salesman or a Formal Hearing.

Review Committee Recommendation: Authorization for \$1,000 civil penalty to the dealer, and \$500 civil penalty to the salesperson or a Formal Hearing.

Complaint 2007085191- Respondent was alleged to be knowingly selling frame damaged vehicles without disclosing the damage to the consumer. Respondent operates four (4) dealership locations. Respondent keeps paperwork from the four locations at one central facility. An audit of dealer files revealed that the Respondent 1) failed to disclose known frame damage prior to sales of vehicles, 2) used purchase orders reflecting a dealership name and address other than that where the sale took place, and 3) falsified down payments.

The breakdown of these violations as to each location is as follows: A) failure to disclose frame damage on 21 sales, 21 fraudulent purchase orders, and one (1) fraudulent down payment; B) failure to disclose frame damage on four (4) sales and four (4) fraudulent purchase orders; C) failure to disclose frame damage on one (1) sale and one (1) fraudulent purchase order; and D) failure to disclose frame damage on 12 sales and 12 fraudulent purchase orders.

Recommendation: Authorization for civil penalties as noted below or a Formal Hearing.

Location A: \$68,000

Location B: \$12,000

Location C: \$ 3,000

Location D: \$61,000

Review Committee Recommendation: Authorization for recommended civil penalties and to surrender licenses or a Formal Hearing.

Complaint 2007089371- Respondent originally sold a 2000 Honda Civic to a buyer and subsequently legally repossessed the vehicle. The vehicle was titled in the original buyer's name, and Respondent failed to have the title reissued to his dealership after repossessing the vehicle. Respondent then sold the same vehicle to the Complainant. Respondent charged Complainant \$25 for license and title registration. Respondent has refused to get the vehicle titled in Complainant's name. Respondent forwarded the title to

the Complainant, who was unable to register the vehicle because the title she received was still in the name of the former owner of the vehicle.

Recommendation: Authorization for \$4,000 civil penalty and requirement that Respondent applies for and delivers title in Complainant's name within 90 days or a Formal Hearing.

Review Committee Recommendation: Authorization for \$4,000 civil penalty and requirement that Respondent applies for and delivers title in Complainant's name within 45 days or a Formal Hearing.

Complaint 2008004261 2008004751 2008006071- Dealership has failed to deliver numerous titles. Dealership is out of business. Also need to add complaint 20084291.

Recommendation: Authorization for a Formal Hearing.

Review Committee Recommendation: Agrees with Legal's recommendation, and approves adding the other complaint.

A Motion was made by Commissioner Donnie Hatcher, and seconded by Commissioner George Bass, to approve the recommendations of the Review Committee.

VOICE VOTE UNANIMOUS

The Review Committee thanked staff attorney Patrick Merkel for his hard work on the complaints, and wanted to have a letter written expressing their appreciation and send it to the Commissioner and put in his personnel file.

A Motion was made by Commissioner Eddie Roberts, and seconded by Commissioner Nate Jackson to have the letter sent to the Commissioner of Commerce and Insurance, and to Human Resources.

APPEALS

The following appeals were heard by Commission.

Carson Danley-salesman license-Nissan of Rivergate, Madison, TN

Staff denied application

Motion made by Commissioner Donnie Hatcher to grant his license, seconded by Commissioner Larry Lewis. Commissioner Larry Lewis wanted it on record that he was in favor of granting the license but did not make no judgment whether Mr. Danley's conduct fit under the definition of morale turpitude.

MOTION PASSED UNANIMOUSLY

Jeffrey Coppinger-salesman license- Neil Sandler Ford, Alcoa, TN

Staff denied application

Motion made by Commissioner Chad Jones to uphold the denial, seconded by Commissioner Donnie Hatcher.

MOTION WAS APPROVED, WITH ONE DISSENTING VOTE BY COMMISSIONER JOHN BARKER.

Robert Brown-salesman license- Nissan of Rivergate, Madison, TN
Staff denied application – NO SHOW

Motion made by Commissioner Travis McDonough to uphold the denial, seconded by Commissioner Larry Lewis.

MOTION PASSED UNANIMOUSLY

Jimmy Chambers-salesman license- Certified Pre-Owned Select Inc., Clarksville, TN
Staff denied application – NO SHOW

Motion made by Commissioner Travis McDonough to uphold the denial, seconded by Commissioner Larry Lewis.

MOTION PASSED UNANIMOUSLY

STAFF ATTORNEY'S REPORT

Agreed Citation Schedule-
Staff Attorney Patrick Merkel requested changes to the Agreed Citation Schedule.

Motion was made by Commissioner Donnie Hatcher, seconded by Commissioner John Barker, to accept the Agreed Citation as presented by the Staff Attorney.

VOICE VOTE UNANIMOUS

DIRECTORS REPORT

Since the last Commission meeting in January 2008 the following actions have been taken:

Dealers Opened, or Relocated134

Active Licensees as of April 1, 2008

Dealers.....4633
Applications in Process.....41
Distributions/Manufacturers207

Auctions.....	35
Representatives.....	618
Salespeople.....	15425
Dismantlers.....	385
RV Dealers.....	25
RV Manufacturers.....	84
Motor Vehicle Show Permits Issued Since January, 2008.....	10
Revenue Received	\$ 1000.00

Meeting Adjourned.

Eddie Roberts, Vice-Chairman

Don Trotter, Executive Director